



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Cedar City Field Office

176 East DL Sargent Drive

Cedar City, UT 84720

Telephone (435) 586-2401

FAX (435) 865-3058

5/001/039
RECEIVED

In Reply Refer To:

UT-042

3809: UTU-76662

DIV. OF OIL, GAS & MINING

Certified Mail # 7002 0860 0007 1304 9021

Return Receipt Requested

December 20, 2002

Mr. Stuart Havenstrite, Director
Nevada Star Resource Corporation
10735 Stone Avenue North
Seattle, Washington 98133

Dear Mr. Havenstrite:

This letter is in regard to the Milford District mine and reclamation plan, submitted for Nevada Star Resources by Mr. Rick Havenstrite. The mine and reclamation plan, prepared to fulfill the requirements of the State of Utah, Division of Oil, Gas, and Mining (Division) regulations for a large mine operation, was submitted to this office on June 3, 1998, to fulfill the regulatory requirements given at 43 CFR 3809, for mining disturbances on BLM-managed lands. The mine plan proposed surface mining operations to recover copper mineralization on up to 141 acres of BLM-managed lands located within sections 16, 17, 21, and 22, T. 27 S., R. 11 W., Beaver County, Utah. The project was serialized as BLM case file UTU-76662, The Milford Copper project (Division file, M/001/039). Through letter dated September 16, 1998, this office granted approval of the plan of operations subject to certain mitigation measures identified by the environmental assessment prepared for the project. The Division granted tentative approval for a portion of the project (essentially an earlier, smaller plan taken over by Nevada Star from Centurion Mines, termed the OK Mine project) contingent upon Nevada Star posting the necessary reclamation surety. The surety was never provided to the Division, preventing the Division from granting final approval for the OK Mine project and suspending any further processing of the larger Milford Copper project.

In letter dated November 7, 2002, Nevada Star requested that the Division convert the large mine permit application for the OK Mine project back to a small mine permit. Through letter dated November 12, 2002, the Division acknowledged and granted the request, directed Nevada Star to limit all project disturbance to five acres or less, and returned to Nevada Star the previously submitted large mine permit applications covering the OK Mine and Milford Copper projects. It is my understanding that the small mine permit area encompasses only privately-held lands, originally disturbed in support of the OK Mine project.

Effective January 20, 2001, the 43 CFR 3809 regulations, under which your Milford Copper project plan of operations was reviewed by this office, were substantially modified. During the period of January 20, 2001 and October 31, 2001, the regulations were re-reviewed leading to additional modifications which were made final, effective December 31, 2001. While the final version of the new 3809 regulations (copy enclosed) recognizes the terms and conditions of a plan of operations that BLM approved before January 20, 2001, all provisions of the new regulations except plan content and performance standards apply to

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such previously approved plans (see 3809.400). The two most important aspects of the revised regulations that apply to Nevada Star's current plan of operations are:

1. Before making any changes to the operations described in your approved plan of operations, it will be necessary for Nevada Star to submit a modification for the plan (43 CFR 3809.431).
2. As of November 19, 2001, to commence or continue operations on the public lands, all plan-level operations approved prior to January 20, 2001 must have provided BLM with an acceptable financial guarantee that meets the conditions of the revised regulations (43 CFR 3809.505).

Given the current status of the plan for the Milford Copper project with the Division, the poor current and projected copper prices, and the likelihood that the currently approved plan will need to be modified if Nevada Star ever proceeds with the acquisition of the necessary Division large mine permit to carry out the plan, it may be appropriate for Nevada Star to request that BLM close out this case. The only benefit I can see accruing to Nevada Star by keeping this plan open is if they anticipate proceeding with a Division large mine permit application that corresponds precisely with the plan that BLM reviewed and approved in 1998. If this will not be the case, Nevada Star will derive little benefit from the existing plan approval as BLM will be required by any significant plan modifications to repeat the environmental analysis and review process similar to that undertaken under the original plan review.

I would appreciate an opportunity to speak with you regarding this matter at your earliest convenience. To contact me, I can be reached at the above address and by telephone at 435-865-3040.

Sincerely,



Ed Ginouves
Mining Engineer

cc: Mr. Tom Munson, DOGM



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

November 12, 2002

Stuart Havenstrite, Director
Nevada Star Resource Corporation
10735 Stone Avenue North
Seattle, Washington 98133

Re: Change in Mine Status, from Large Mine to Small Mine, Nevada Star Corporation, OK Copper Mine, S/001/039, Beaver County, Utah

Dear Mr. Havenstrite:

On November 7, 2002, we received your letter requesting that your large mine permit application for the OK Copper Mine be converted back to a small mine permit. You enclosed a \$150.00 check for the small mining fees. The Division honors your request and have changed our records to reflect that the mine is now of small mine status. We have accepted your \$150.00 small mine permit fee for the 2002-2003 fiscal year.

We have enclosed and are returning your large mine permit application. Your operations are now limited to five acres of surface disturbance under the small mine permit. If, in the future, you propose to expand your operation beyond five-acres, you must file a new Notice of Intention to Commence Large Mining Operations, pay the applicable permit fees, post reclamation bond and receive written authorization from this office *before* creating additional surface disturbance. ***Please assure that the five-acre project area boundary is clearly marked with metal t-posts (or other effective markers) so that your operation remains in compliance.*** Roads built or upgraded to provide access to the mine site are considered part of the five-acre disturbance, unless otherwise exempted.

Your letter states: "At the present time, Nevada Star does not contemplate operating on more than 50 acres." We assume the "50" may have been a typing error, and should have read "5" acres. ***If our interpretation is incorrect, please notify us immediately.***

Thank you for your cooperation. If you have any questions regarding this letter, please contact me, or Tom Munson of my staff at (801) 538-5286 and 538-5321, respectively.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosure: Large Mining Notice of Intention

cc: Ed Ginouves, BLM, Cedar City FO

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Utah!
Where ideas connect



State of Utah

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Division Director

FACSIMILE COVER SHEET

DATE: Dec 19, 2002

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 2

TO: Ed Lissner
Cedar City BLM

FAX NUMBER: 1-435-865-3058

FROM: Jaelle

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: Nevada Star Resources - OK Copper
5/001/039

REMARKS: Title Status Change from LMO to SMO

Should you encounter any problems with this copy or do not receive all the pages, please call.

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.

TRANSACTION REPORT

P. 01

DEC-19-2002 THU 11:39 AM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
DEC-19	11:38 AM	14358653058	48"	2	SEND	OK	819	

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FACSIMILE COVER SHEET

DATE: Dec 19, 2002NUMBER OF PAGES INCLUDING THIS COVER SHEET: 2

TO:

Ed & Lisa
Cedar City BLMFAX NUMBER: 1-435-865-3058

FROM:

JaeleMinerals Reclamation and Development ProgramPHONE: (801) 538-5291FAX: (801) 359-3940



NEVADA STAR
Resource Corp.

*m/001/039
E/001/084

November 4, 2002

Tom Munson
Utah Dept. of Natural Resources
Box 145801
Salt Lake City, Utah 84114

Dear Tom:

In accordance with our discussions during October 2002, Nevada Star Resource Corporation hereby requests that the permit for its Large Mine Operation at the OK Mine, Beaver County, Utah (Permit #MO10039) be converted to a small Mining Operation permit. I enclose a check for \$150 to cover the 2002 Permit fee. At the present time, Nevada Star does not contemplate operating on more than 50 acres.

The attached map shows the area of current disturbance, 4.61 acres. The disturbance consists of two shallow pits designed for eventual solution storage, and five water sampling drill holes. Nevada Star does not plan to reclaim this site at this time.

On another matter, Nevada Star hereby notifies you that it does not plan to renew its Exploration Permit #E010084 for 2002. All drill holes, including those drilled in 2000, have been reclaimed.

Please let me know if you need any further information.

Sincerely

Stuart Havenstrite, Director
Nevada Star Resource Corporation

Cc: Gerry Carlson, President Nevada Star w/o enclosures ✓
Monty Moore, Chairman Nevada Star w/o enclosures

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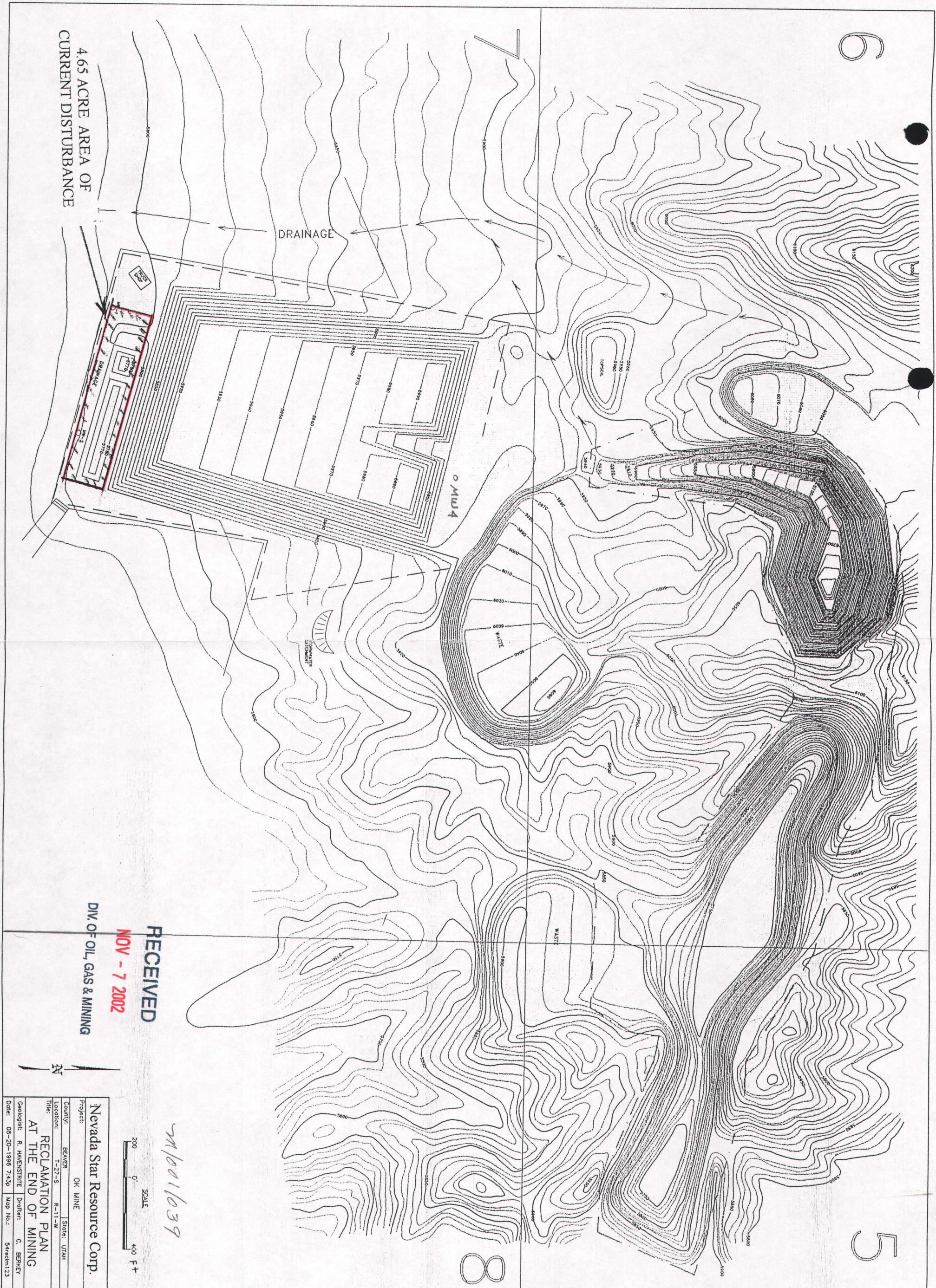
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NOV - 7 2002

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Nevada Star Resource Corp.			
Project:	OK MINE		
County:	BEAVER	State:	UTAH
Location:	T-27-S	R-11-W	
Title:	RECLAMATION PLAN AT THE END OF MINING		
Geologist:	R. HAVENSTRITE	Draftsman:	C. BERKEY
Date:	08-20-1996 7:43p	Map No.:	54rcm123